



Daily Report

Sub-Saharan Africa

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Burundi

11 Ministers Reject Criticism of U.S. Envoy

EA1409210595 Bujumbura ABP in French
1700 GMT 14 Sep 95

[FBIS Translated Excerpt] Bujumbura, 14 September (ABP) — Eleven members of the Burundian Government from the presidential coalition called "Forces for Democratic Change" on 13 September signed and submitted to Prime Minister Antoine Nduwayo a note on the position they have adopted against the minister of interior and public security, Mr. Gabriel Sinarinzi, who, on 8 and 9 September, broadcast on national radio and television a declaration against the U.S. ambassador to Burundi, Mr. Robert Krueger.

The group of ministers who signed the document — of whom only two, the ministers for external relations and public health, are abroad, said that they are accusing the minister of the interior and public security of issuing a declaration which was not discussed within the government framework and was not of sufficient quality to represent them in the areas of communication and diplomatic relations vis-a-vis their partners, and without being the government's spokesman.

The position they have adopted states that the government members from the presidential coalition do not share the remarks, which they term as "improper" and "shameful," made publicly by the minister of interior with regard to a representative of a sovereign and friendly nation, the United States, and asked the prime minister to take all necessary steps to remedy the grave deviation, which could prejudice good relations between Burundi and its external partners, and with the United States in particular.

The 11 government members stress that they support foreign partners in general, and the U.S. ambassador, Mr. Robert Krueger, in particular in their untiring efforts to save Burundi from its current bad situation, despite difficult conditions. [passage omitted]

Premier on Ministers' Statement

EA1409211395 Bujumbura ABP in French
1552 GMT 14 Sep 95

[FBIS Translated Text] Bujumbura, 14 September (ABP) — Burundian Prime Minister Antoine Nduwayo on 14 September reacted to the note stating the position of ministers from the presidential coalition called the "Forces of Democratic Change" by saying that they gave the impression of not belonging to the same body or government.

The Burundian prime minister said that, by taking this position, the ministers were trying to expose internal

problems which have to be dealt with in a spirit of government solidarity, since the problem they brought up falls within the competence of the government. He also said that the government alone is qualified to decide on government action to bring back peace and security in the country.

Cameroon

Pope Arrives for 6-Day African Tour

AB1409155595 Paris AFP in English
1419 GMT 14 Sep 95

[FBIS Transcribed Text] Yaounde, Sep 14, (AFP) — Pope John Paul II arrived in Cameroon Thursday [14 September] on a six-day African tour during which he also will visit South Africa and Kenya to hammer home a message of human rights and target government corruption.

The pope's plane touched down at 1350 GMT at the Yaounde airport, but the pontiff, 75, only stepped out of the aircraft about 20 minutes later.

He was greeted at the airport by Cameroon President Paul Biya and his wife.

The pope, who is making his 11th visit to the African continent, is to outline the conclusions of the African bishops' synod which was held in Rome last year.

Chad

Government Grants Bail to Opposition Leader

AB1409165495 Paris AFP in French
1544 GMT 14 Sep 95

[FBIS Translated Excerpt] Ndjamen, 14 Sep (AFP) — Chadian opposition leader Saleh Kebzabo, who was arrested on 9 September and accused on 11 September of "consorting with the enemy," was granted bail this afternoon in Ndjamen.

Questioned by AFP soon after his release from the Ndjamen prison, Mr. Kebzabo said that he had been granted bail upon the request of the examining judge.

Mr. Kebzabo has been forbidden to leave the capital or to make any public statements relating to his arrest until the judge has finished his investigation. [passage omitted]

Opposition: Deby Regime 'Based on Injustice'

LD1409214995 Paris Radio France International
in French 1830 GMT 14 Sep 95

[FBIS Translated Text] Our guest this evening is Saleh Kebzabo, the Chadian opposition leader who today was

freed on bail after being held for five days. Christophe Boisbouvier asked him how he answered accusations by Chad's President Idriss Deby that he had established contacts with rebels living abroad.

[Begin recording] [Kebzabo] I replied to the state prosecutor — as I did before, several months ago, in (consultation with) the political parties — that I am a politician, and that if I go abroad and meet political-military opposition figures, that is my duty, because it is the very dialogue that we were actually encouraged to undertake. The government itself has asked us to help out by entering into dialogue with various people, and I believe it is neither an error nor a crime to meet other Chadians, however armed they might be. If one day I came to share their opinions, I would leave Chad and join them in their fight. But that is not the case. I am a man who has taken a democratic position, but that does not mean that I will unfailingly oppose those who espouse the political-military option. So, contacts are not banned — they do take place. All those who currently have the opportunity to travel — to Cameroon, Nigeria, Benin, Burkina, France, or elsewhere — inevitably end up meeting the political-military opposition. I have not plotted against the security of the state.

[Boisbouvier] In your view, is your contact with rebels outside the country the real reason for your arrest?

[Kebzabo] It is merely a pretext.

[Boisbouvier] Why, then, do you think there has been such a concerted effort directed against you personally?

[Kebzabo] I belong to an opposition that is not easily taken in. Since it was set up, we have fought against the Patriotic Salvation Movement [MPS] and against President Deby. We do not hide what we are about; we say so clearly, so that people will understand why the MPS regime and the Deby government are the worst that Chad has experienced since independence. It is a regime based on injustice, a regime that carries out policies based on exclusion, a regime that has set Chad back 20 years, a regime that has absolutely no vision for the future of the country. We say so in all our gatherings and we are open about it. We also say that we are in a position to be tomorrow's alternative to this regime. So I suppose we are an irritant, a serious irritant, and every means available is used to try to get rid of us.

[Boisbouvier] Why, after having you arrested a few days ago, has the president now freed you today, Thursday [14 September]?

[Kebzabo] They were completely taken by surprise at the strength of opinion within the country, to begin with. Domestically, there has been an extraordinary

outcry here, to such a degree that they were forced — and President Deby himself admitted as much — to begin censoring comment on the matter. Then there was outside opinion, which took a while to get going, but the minute the problem was taken up by people outside the country, pressure built up on all sides. So I think that, as various people have said, they had to calm things down. They could not just fly in the face of reality.

[Boisbouvier] Do you think your release is a sign of a more conciliatory attitude?

[Kebzabo] I doubt it. Unfortunately, I think it is too late to interpret it in that light. The crime has been committed. Now we have to deal with it politically and continue the struggle. The main thing is that we have to save the country. Elections must be held — open elections — but unfortunately, with what is happening, if there are to be such actions taking place, we can say that the elections...[pauses] We can already predict how they will turn out. [end recording]

Rwanda

Minister Calls For Investigation of Gisenyi

EA1409175595 Kigali Radio Rwanda in English
1145 GMT 14 Sep 95

[Passages in within quotation marks recorded]

[FBIS Transcribed Text] Following an incident last Monday in Kinama, in Gisenyi Prefecture, where more than 100 people were killed in the crossfire between government forces and former government criminal infiltrators from Zaire, the vice president and minister for defense, Major General Paul Kagame, has called upon investigations to be carried out so that whoever was involved is brought to justice. He warned criminal infiltrators from Zaire to stop such kind of terrorist acts.

Latest reports say that 11 people have been arrested in connection with the Kanama incident, and the criminals include four former government soldiers.

Yesterday, the vice president and minister for defense, Maj. Gen. Paul Kagame, went to the scene of Kanama to assess the situation for himself. While there, Maj. Gen. Paul Kagame asked both civilians and security personnel to work hand-in-hand to maintain security. The vice president and minister for defense had an interview with Radio Rwanda and REUTER news agency, and said of what is relevant to be done now so as to prevent such kind of incidents:

[Kagame] "What is relevant is that something should be done to stabilize the situation on the part of the civilians

and on the part of the Army. And we have got to find a common ground on which we can operate to [as heard] all of us to be able to contribute toward that stability, and that is the point i was making to the civilians.

"They have responsibility to make sure that infiltration does not find its way through their commune, because it has consequences not only to the whole country but to the commune itself. We have got responsibility as soldiers to make sure that we work closely with the civilians to try and prevent this and improve the relationship that may exist between two sides."

Further, Maj. Gen. Paul Kagame said that the Kanama area has been a target of infiltrators from Zaire for a long time and cited a similar incident in the area which occurred in April this year, when one of the government army officers was attacked but survived.

[Kagame] "Some incidents have been taking place over and over. There have been several incidents in fact in this same area. Sometime, I think in April, there was another incident where they shot again an officer but he survived, and this is exactly the same area, so it means there is something common about the intention to cause insecurity here in the population here, and [involving] some people in this population and then some people across in Zaire. But these incidents have been on very low scale, and they have been well contained and they have not been unexpected, knowing well that there are people across in Zaire who have intentions to cause insecurity in our country and they have been having access to arms, they have enjoyed some kind of support.

[Unidentified correspondent] "In Gishwati?

[Kagame] "Indirectly, yes, from... [Kagame pauses] but they come from Zaire and cross through here or through other areas.

[Correspondent] "And they hide in the forest?

[Kagame] "Even in the population, especially in these two communes, the ones of Kanama and Rwerere. But we have been dealing with that and it had scaled down but, over time, some incidents do take place, because I think some people do assist them to do that.

[Correspondent] "How do you assess the infiltrators' military strength in Zaire?

[Kagame] "What I know is that they are there, but they are a force we can contain and we are very confident about that. They are there but we shall defeat them. There is no doubt about it."

Ex-Prime Minister on Government, Refugees
BR1309150395 Brussels LA LIBRE BELGIQUE
in French 13 Sep 95 pp 1, 5

[Report on interview with former Prime Minister Faustin Twagiramungu by Marie-France Cros in Brussels on 11 September: "Former Rwandan President Is Not Exiled in Belgium"]

[FBIS Translated Text] "But who said that I have come to Belgium as an exile? It is strange, because I made no such statement in Kigali." It was a surprised and tired Faustin Twagiramungu who LA LIBRE BELGIQUE interviewed on Monday [11 September] on his arrival early in the morning from Rwanda. The United Nations announced that at least 108 people were killed in Rwanda on Tuesday in three attacks launched by unidentified assailants.

The MDR [Rwandan Democratic Movement] prime minister who resigned at the end of August, or who was ousted as President Bizimungu of the RPF [Rwandan Patriotic Front] claims, has come to Brussels to "see his family" who remained here even when he was in power. So he is "on vacation" after some hard days: His departure from the premiership was followed by two days under house arrest, with the telephone lines cut.

Will he be staying in Belgium? "I have come here with the intention of returning to Rwanda," stressed Twagiramungu. Was it difficult to leave the country? "It took a long time." But he is more fortunate than his Interior Minister Seth Sendashonga of the RPF who was also fired. "They searched his home for seven hours. They seized his passport, personal correspondence and agendas...." His Justice Minister Alphonse-Marie Nkubito (independent) "had some documents confiscated which he had taken to his home, as did the MDR executive secretary, Eugene Ndahayo," who was also chief of staff of the dismissed MDR information minister.

The four ministers were dismissed after statements to the cabinet implicating the military in violence against the population reported by various sources in Rwanda. The RPF transport minister, not a controversial figure, was also dismissed, thus lending a certain credibility to the official line that they were dismissed for incompetence. But will Twagiramungu have any problems returning home? "That depends on the situation inside the country."

Rwandans Are "No More Than a Hotchpotch"

While the United Nations announced on Tuesday the death of 101 persons that same day in the area around Gisenyi (in the north of Rwanda, across from Goma

in Zaire, the site of Rwandan refugee camps) in three separate attacks by unidentified assailants, Faustin Twagiramungu is in Belgium to "see his family". But he was anxious to point out that he is not in exile and intends to return. Will he head the Rwandan opposition?

They Are Afraid

[Twagiramungu] Political activities are virtually non-existent in Rwanda. Meetings are banned. The parties are also banned from having any prefectural or city council structures. We had between four and six discussion sessions on this issue with the RPF to try to persuade them otherwise. But in vain. During the transition, the RPF believes that all the parties must work under its directives. It has set the transition at 5 years, which is an infringement of the Arusha peace agreements, but you know there has been genocide since Arusha and that has changed certain things.... It is sometimes difficult for the RPF, which won the war, to share power with others. They also attach the "Parmehutu" label to the MDR [The MDR was originally called MDR-Parmehutu, the Parmehutu tendency being identified with pro-Hutu ethnicity, which permitted the genocide, ed.], fearing we will resort to political ethnicity and will become the majority party.

[Cros] How do you think the return of the refugees, demanded by Zaire and Tanzania, is going to work out?

[Twagiramungu] I have not read the agreement between Kinshasa and the UNHCR. But it seems that at least 400,000 refugees are to return before 31 December. This year we have had 700,000 exiles returning from Burundi or Uganda. They are in a critical situation because we were not ready for them, some of them have been given the homes of refugees created by the RPF victory. It is difficult to believe that these 400,000 are going to be able to return in four months. The necessary security and logistic conditions have not been met. We must first make the preparations.

Our Fault

[Cros] That was your government's job. Why was it not done?

[Twagiramungu] You can say that it is our fault, but I am not a soldier. There is the government, but there is also the RPF. The victory was that of the RPF and not of the government. And the RPF makes its own security arrangements. It first wants to consolidate its power, which is understandable given the general mistrust.

[Cros] And what have you done in terms of the logistics necessary for the return of the refugees?

[Twagiramungu] The government cannot do anything. You need financial resources for that, and transport.

[Cros] The Geneva round table allocated major funds to Rwanda.

[Twagiramungu] The allocations for refugees were for food, not transport.

[Cros] What is being done for them now?

[Twagiramungu] It is difficult to say. I visited the refugees in Burundi. Above all, they stress the need for security and to be able to return to their homes.

Those in Zaire are under extraordinary pressure at the present time, from the Zairian people and the authorities.

They could decide to return, with the attitude "we may as well suffer at home as abroad."

But before we can welcome them with open arms, as my successor Rwigyema puts it, we need to make an extraordinary organizational effort and major efforts to enable them to live alongside their neighbors. It is true that they are all Rwandans, but each exile has adopted different customs. It is no more than a hotchpotch. We must find something to unite them.

Russia Pledges Assistance in Repatriation

EA1409151095 Kigali Radio Rwanda in French
0445 GMT 14 Sep 95

[FBIS Translated Text] Efforts deployed by the Rwandan Government and the determination to do everything to guarantee the security of all refugees are extremely important and have been praised by the Russian Government.

In a statement by the Russian Foreign Ministry's representative, the Russian diplomat asserted that it was obvious that without the support of the international community, the UN, and international institutions, it would be impossible to achieve the large-scale operation to repatriate almost two million people and their property.

According to the statement, the Russian federation is ready — within the limits of its means — to take part in the international community's efforts. The minister for emergency situations has already made concrete proposals to cater for the transport of refugees to their communes.

In conclusion, the Russian Foreign Ministry's representative said that Russia would continue to contribute to the normalization of the situation in the region on the basis of national reconciliation principles and UN and OAU resolutions.

Zaire

so as to enable refugees to return home. This was announced this evening by a UN official.

Government Reopens Border One Way for Refugees

*LD1409193895 Paris Radio France International
in French 1830 GMT 14 Sep 95*

[FBIS Translated Text] Zaire has announced the reopening of its border with Rwanda, but in one direction only,

Kenya

OAU Chief Rules Out 'Standing Army'

EA1409205695 *Nairobi KNA in English*
1820 GMT 14 Sep 95

[FBIS Transcribed Text] Nairobi, 14 September (KNA) — Organization of African Unity [OAU] Secretary General Dr. Salim Ahmed Salim, today said that African countries should be prepared to assume the responsibility of safeguarding their interests in a world that is increasingly becoming hostile to the continent.

He said as a result of the end of the Cold War, the strategic considerations of Africa are no longer there and the developed countries are concentrating their resources elsewhere. He, however, warned that this does not include military interventions or the establishment of an OAU standing army, pointing out that there has never been any discussions in the OAU organs for the establishment of such a force. He said any peacekeeping force in the continent should be assembled by the United Nations which has the primary responsibility of overseeing such operations throughout its member countries.

Dr. Salim gave these remarks today at the Jomo Kenyatta International Airport when he arrived in the country for a one night stopover. He had come from Harare, Zimbabwe, after attending the official opening of the 6th All-African Games.

Dr. Salim said the OAU continued searching for a peaceful resolution to African conflicts, including the conflicts in Burundi and Rwanda. "Without an end to African conflicts our continent will continue to be marginalized," said the secretary general.

He was received at the airport by an assistant minister for foreign affairs and international cooperation, Mr. Sheldon Muchilwa, and officials from the ministry and the OAU office in Nairobi.

Country To Support European Space Agency

EA1409154595 *Nairobi KNA in English*
1512 GMT 13 Sep 95

[FBIS Transcribed Excerpt] Minister of state in the Office of the President Kipkalia Kones and Mr. Roberto di Leo, ambassador of Italy, and Mr. Fredrick Engstrom, of the European Space Agency (ESA), today [13 September] signed a trilateral agreement between Kenya, Italy and [the] ESA for the use of the Malindi Station for telemetry services to Ariane Five.

The Malindi Station is part of the San Marco project, a bilateral programme between Kenya and Italy in the field of space activities. [passage omitted]

The new trilateral convention between Kenya, Italy and ESA is a concrete example of the fruits that the San Marco project can bear: Malindi has been selected by ESA as the most suitable location for monitoring the flights of Ariane Five, a satellite launcher recently developed. [passage omitted]

Government, UNDP Hold Talks on Tribal Clashes

EA1309141295 *Nairobi DAILY NATION in English*
13 Sep 95 p 3

[Article by Ken Opat: "Fresh Talks on Clashes, Government, UNDP Focus on Early Warning System"]

[FBIS Transcribed Text] In a renewed effort to deal with future tribal clashes, the United Nations Development Programme [UNDP] and the Office of the President are holding top-level discussions that will possibly lead to the establishment of an early warning system.

The new effort was started last June and replaces the UNDP's internally displaced persons programme whose activities ended recently after resettling an estimated 180,000 clash victims.

In an exclusive interview yesterday, the UNDP resident representative in Kenya, Mr. Frederick Lyons, said the envisaged programme would help develop national institutions that provide early warning systems of any looming conflict. However, the final decision on the programme would come after the end of the talks, probably in two months.

The new programme would also address poverty at the local level, land tenure and other social parameters that might have in the past influenced antagonism between communities.

Mr. Lyons said whereas politics partly caused the ethnic flare ups, "land tenure systems and cultural incomprehension were also central". These are some of the issues the envisaged programme would address, he said.

He could not estimate the cost of the planned programme but said: "we will be talking of quite significant figures. We will be talking to donors once the final decision is reached, probably in the next two months".

The halted programme that was launched in January last year, was aimed at resettling close to 250,000 people displaced in clashes that rocked western Kenya and parts of the Rift Valley between 1991 and 1994. Mr. Lyons said about 60,000 victims of the clashes were yet to be resettled "much remains to be done in the resettlement and relocating of those displaced from areas such as Burnt Forest, Molo, Olenguruone, Kipkelion and parts of Kericho District". However, the UN Development

Programme and the government would look into ways of assisting them.

He said the earlier programme meant to cost more than two billion shillings had to be scaled down to about nine million dollars [about 495 million] shillings after some donors pulled out.

Police Blame Attack in Turkana on Ethiopians

EA1309135395 *Nairobi DAILY NATION in English*
13 Sep 95 p 16

[Article by Michael Njuguna and Peter Kamau: "Ethiopians 'Staged Raid': PC Pledges Border Security Boost"]

[FBIS Transcribed Text] The raiders who killed nine Kenyans on Saturday [9 September] in Turkana District were Dongiros from Ethiopia, the Rift Valley provincial commissioner [PC] said yesterday.

Mr. Ishmael Chelang'a, who flew back to his base in Nakuru from Kibish, said the dead policemen graduated from Kiganjo police college recently. They were going to their new station when their land-rover was attacked at about 1000 [0700 GMT], 320 kilometres from Kibish.

Mr. Chelang'a said only one policeman in the whole group was armed. He managed to jump out of the land-rover and roll away to safety when the Dongiro attackers opened fire. One of the policemen engaged the raiders in a hand-to-hand combat. He was, however, overpowered, shot in the arm, battered and left for dead.

The policeman later trekked 45 kilometres to Kamang'orinyang police post and reported the incident.

The dead were four policemen, three officers working with the ministry of water development and two civilians — one of them a primary school boy. Mr. Chelang'a said their bodies had been flown to Nairobi. Since the attack, the government had reinforced security in the area.

He assured residents of Kibish that measures would be taken to curb cross-border raids, saying the Saturday attack was an isolated case.

Earlier, addressing a Baraza [meeting] at Kibish, Mr. Chelang'a said the government would boost security along the Kenya-Sudan-Ethiopia border to stamp out banditry. He asked the Ethiopian Government to cooperate in order to end hostilities between communities living along the border.

The PC told the Ethiopian that they were free to use education and health facilities in Kenya. "The Kenya Government will treat you well. We are the same people and face the same problems".

He said the food would be distributed to famine-stricken families in the area. The government would repair roads to ease communication and water supply problems.

Mr. Chelang'a told the meeting that security forces were making good progress in pursuit of the bandits who carried out the attack.

Opposition Says Government Encouraged Warriors

EA1409084595 *Nairobi DAILY NATION in English*
13 Sep 95 p 36

[Article by NATION team: "Police Looking for Killer Morans"]

[FBIS Transcribed Excerpt] Police in Narok [Rift Valley] are looking for Masai morans [warriors] who killed a man on Monday [11 September].

At the same time, local government minister William Ntimama was accused of encouraging the morans to engage in violence in the town. But Mr. Ntimama denied any link with the incident which led to the death of a local tailor.

The town itself remained calm after a weekend of tension and some violence during which the morans also attacked police constable Stephen Tuwei and robbed him of a watch on Sunday.

The local police boss, Mr. S.W. Sibweche, assured Narok residents that they should not fear as police were in full control and that everything was being done to ensure that the culprits were apprehended.

Mr. Mwaya, 47, and a father of 13, was attacked when he met about 200 morans marching to the district commissioner's office to protest over an incident during which they claim they were harassed by police.

Mr. Ntimama yesterday blamed the police for the violence saying that they provoked the morans who have been peacefully living in Narok since their graduation ceremony 30 days ago.

"If somebody was beaten up and lost his watch, the police should have arrested the real culprits and not succumbed to causing fear and confusion by shooting 30 shots in the air," he said.

Asked why it was necessary for culprits originally arrested by the police to be freed, Mr. Ntimama said the police had arrested the wrong people.

But FORD-Asili's [Forum for the Restoration of Democracy-Asili] national treasurer Haroun Lempaka, repeated his call for the outlawing of moranism and condemned the killing of the tailor. He accused Mr.

Ntimama of encouraging the morans to go on a looting spree and perpetrating violence.

"The question is for how long is he going to continue organizing violence and chaos? For how long is this going to be allowed?" asked Mr. Lempaka. [passage omitted]

Somalia

Aidid Issues Decree on Regional Autonomy

EA1409130695 (Clandestine) Radio Mogadishu Voice of the Masses of the Somali Republic in Somali 1700 GMT 13 Sep 95

[FBIS Translated Text] Mr. Mohamed Farah Aidid, the president of the Republic of Somalia, on 12 September released a decree on the country's regional autonomy and districts. The president released this decree having studied Articles 18, 23 and 44 of the National Transitional Charter and following the approval of the National Leadership Council and Cabinet.

The decree is made up of 66 articles, including articles on elections and regional and district leaders, who include the regional council, the chairman of the regional council, the [members of the] permanent committee [as heard], the committee for regional and district administration [and leaders of] communities down to the village level. There were also articles on decision making by the officials in these areas.

This decree on regional autonomy is divided into seven main sections. They are: general principles; the regional system; the district system; the revenue system; expenditure and accounting; achieving agreements; membership of the regional and district councils and the system for a penal code. [as heard] This presidential decree, like other matters the president has been looking into, deals with the division of Somalia into regions, and the division of every region into districts, communities or villages. Another presidential decree will define the number of regions and districts and their hierarchy, borders and capital cities.

This follows the proposal by the cabinet — and agreement of the national leadership council and cabinet — that it can be amended if necessary. The regions will also have regional administrative autonomy in accordance with the laws of the nation, and every region and district will have its own legislative powers.

Similarly, these articles set out how ministry affairs overlap with those of the regions or districts, and the conditions that govern the dissolution of regional or district administration or [the removal of] the powers of the various officials.

This decree also mentions the responsibility of every district to develop health care, land allocation, markets and construction; prevent damage being done; help victims; prepare and implement community development projects; promote productivity, koranic schools, basic educational schools, centers to care for mothers and children and arts and sports and ensure the security, care, and protection of the environment and the exploitation of economic resources.

Uganda

Opposition Vice Head Leaves for Saudi Arabia

EA1309215295 Kampala Radio Uganda Network in English 1400 GMT 13 Sep 95

[FBIS Transcribed Text] The vice chairman of the National Resistance Movement [NRM], al-Haji Moses Kigongo, has left for Saudi Arabia at the start of an official visit to five Gulf states in the Middle East. Al-Haji Kigongo, who left Entebbe Airport this morning, is leading a five-man delegation that includes Mr. Swaibu Waggwa Lubega, member of the National Resistance Council for Butambala County in Mpigi District; Dr. Ahmad Mohamed Sule from the Kampala office of the World Muslim League; and Mr. Moses Kibirige, manager of project appraisal in the Uganda Development Bank.

In Jiddah, Saudi Arabia, the delegation will be joined by al-Haji Professor Badru Katerega, Uganda's ambassador in Saudi Arabia, who is also accredited to the Gulf states. Al-Haji Kigongo is scheduled to deliver a special message from President Yoweri Museveni to the heads of state of Saudi Arabia, Kuwait, Qatar, Bahrain, and the United Arab Emirates.

Ex-Minister Returns From Zambia After Exile

EA1509102995 Kampala THE NEW VISION in English 13 Sep 95 p 1, 2

[Unattributed article: "Obote Minister Returns"]

[FBIS Transcribed Excerpt] Another minister in the Milton Obote II regime, Mr. Henry Tungwako, returned home quietly on Monday [11 September] from a ten-year self-imposed exile life in Zambia.

Tungwako was former deputy minister of labour and member of parliament for Kabarole West constituency. He has been the only former minister to live with former President Obote in Lusaka since their overthrow from power in July 1985 by the military junta of General Tito Okello Lutwa, then army commander of the UNLA [Uganda National Liberation Army]. Other ministers who fled together with Obote to Lusaka were former internal affairs minister and UPC [Uganda People's Congress] secretary general, Dr. John Luwuliza

Kirunda, and former information and broadcasting minister, Dr. David Anyoti. They abandoned Obote and went to Zimbabwe and Britain respectively.

Tungwako returned aboard Uganda Airline flight No. QU574 and was met at Entebbe Airport by family members and government officials at 4.15 p.m. [1315 GMT]. He is living with a relative near Fairway Hotel in Kampala. [passage omitted]

'Priestess' Said in Sudan Meeting Opposition

EA1409221595 *Kampala THE NEW VISION*
in English 13 Sep 95 p 1

[FBIS Transcribed Text] Fugitive rebel priestess Alice Lakwena, leader of the Holy Spirit Movement, HSM, has visited southern Sudan to meet Joseph Kony, military intelligence sources here have said.

Lakwena's HSM was defeated and routed by the NRA [National Resistance Army] in Iganga in 1987, forcing her to flee to Kenya, where she has been living in a refugee camp in Thika, north of Nairobi.

NRA field commanders told "THE NEW VISION" that reports from arrested Kony fighters and abductees indicated that Lakwena entered Sudan from Kenya by air through Juba on 22nd August. She left the camp last Friday [8 September].

Lakwena then travelled by road to Kony's camp at Palutaka guarded by Sudanese Government forces. However, the motive of her visit was unknown but there is speculation that she could have either gone to convince Kony to renounce rebellion and get to a refugee camp in Kenya or to lend him support.

Kony took over the remnants of Lakwena's rag-tag fighters after her defeat in 1987. He mobilized and directed the fighters through spiritual indoctrination and forceful recruitment.

A spokesperson at the United Nations High Commission for Refugees, UNHCR, in Nairobi declined to discuss Lakwena's movements saying "Alice Lakwena is a refugee, and a protected case" and added: "We cannot discuss her whereabouts with anybody".

It was not possible to get comment from the minister of state for security, Colonel Kahinda Otafire, or ESO [External Security Organization] boss, Major General Elly Tumwine, because both of them were out of office.

Lakwena's visit and contact with Kony comes against a backdrop of recent incursions into Kitgum District and abduction of over 300 civilians into rebel ranks by rebels operating and aided by the Sudanese Government.

Since the attack during mid-August, the NRA has pursued the rebels, and official accounts indicate they have returned to Sudan. The number of rebels killed, captured or who have surrendered is not clear.

Military intelligence reports further indicated that abducted Ugandans have been used by Sudanese authorities to fight rebels of the Sudanese People's Liberation Army, SPLA.

The SPLA John Garang faction is based at Puge, while Riak Machar's group is at Parajok. The primary target is for the Kony group to assist Sudanese Government troops [to] overrun the Garang group whose strength in the area is estimated to be 10,000 men.

About 100 Kony rebels are reported to have defected to the Riak Machar faction of SPLA due to alleged food shortages. Many of them have also reported to the NRA units here, and have been transferred to NRA's 4th Division headquarters in Gulu.

There are also accounts of preliminary talks of a possible merger of the Kony and Juma Oris's West Nile Bank Front also in southern Sudan but close to Arua and Moyo Districts on the northwestern tip of Uganda.

The Sudanese Army is said to be assisting the two groups [to] come together. Although government officials and military officers say the situation was calm, there is heavy military presence as many NRA soldiers conduct all-day-round foot patrol on the area.

However, day-to-day activities continue throughout the district unhampered by recent events.

Mandela Undergoes Routine Medical Check-Up

*MB1509090395 Johannesburg SAPA in English
0833 GMT 15 Sep 95*

[FBIS Transcribed Text] Cape Town Sept 15 SAPA — President Nelson Mandela underwent a routine medical check-up in a Johannesburg clinic on Friday [15 September] morning. "He was certified to be in good health," Presidential spokesman Parks Mankahlana said.

Mandela, who was admitted on Friday and discharged after the tests, would continue with his official schedule on Saturday. The President will receive an honorary Doctorate of law from the University of South Africa on Saturday morning and will meet Pope John Paul II at Mahlabamba-Ndlophu later in the day.

Mandela Addresses Uitenhage Residents

*MB1409153395 Johannesburg SAPA in English
0921 GMT 14 Sep 95*

[Speech by President Mandela at a rally on being granted the freedom of Uitenhage on 14 September, issued on the SAPA PR wire service]

[FBIS Transcribed Text] Provincial Premier Raymond Mhlaba, Dr Siva Pillay, chairperson of the Uitenhage Transitional Local Council [TLC], fellow South Africans.

The people of Uitenhage do me a great honour by conferring on me the freedom of your town. For yours is a community which knows how precious freedom is and how much it costs to obtain it. This town experienced the worst of apartheid repression. But because of the steadfastness of its people it came out on top.

It was here that one of the first forced removals of a great number of people took place during the sixties. But you defied racism and returned to your land. It was that organised defiance that the apartheid regime sought to suppress in the Langa massacre ten years ago, followed by yet another large-scale forced removal. They did not succeed, and today we can gather here together, free and united.

What makes the Uitenhage community a shining star is that your resistance always had a sense of direction. You were among the first to destroy the puppet apartheid local councils and opened the way for democratic structures. In 1992 you pioneered negotiations to establish a more representative local authority to manage your affairs until November this year when you will elect a democratic council.

What we see in Uitenhage is not just an example of how people can fight for freedom against all odds. We also see how a town can turn its eyes to the future,

and use its freedom to join hands across all sections of society. Out of a once divided town you are working to build a new, truly South African community, united and working for a better life for all.

You were amongst the first to establish a warm working relationship between business and community structures. The partnership between the community Volkswagen management, and workers provides an example that should be emulated around the country. The way in which this partnership has now broadened to include government in the community-based public works programme is most encouraging. It is precisely this spirit of partnership and the readiness to share responsibility that will make a success of reconstruction and development. It is this spirit of Masakhane [mutual construction] that will make the RDP [Reconstruction and Development Program] work for you.

It is therefore most important that the improvement in payment for services that has taken place should be maintained. Quite a number of residents are still failing to pay for services. This should not be. Your TLC even has provisions for negotiating tariffs with the unemployed and disabled. There can be no sustainable services without payment. If the practice of non-payment persists, then all the golden plans for the area will remain a dream.

There are many other challenges ahead, amongst them the need to help our country achieve the economic growth required to make a better life for all our people.

As a democracy we are now part of the competitive world market. To sell our products and to attract investment we need to find ways of building up the skills among our work force. A number of foreign companies have indicated willingness to invest in our country. Earlier this week we signed an agreement with Chancellor Kohl that will help attract more German investments. Such companies will want to bring modern machinery that require expertise and new working practices.

Growth and investment also require a climate of stability. The Labour Relations Act, one of our most important pieces of legislation, will provide a framework in which employers and workers can work jointly to create that kind of climate.

Ladies and gentlemen; the local government elections are upon us. The success or failure of our democracy will be tested at this layer of government. If local authorities fail to improve our lives, that will equally be a failure of provincial and national governments. There is nothing that the higher layers of government can do if local government is incompetent.

Now, at last, we have a chance to elect capable representatives and democratic councils that will help rebuild our lives. Let us not waste the chance. Let us emerge from the elections with the best possible councillors for Uitenhage.

But before you can vote in November, you must register. The government has extended the voter registration date so that even those who missed the June deadline can register. You have a chance until 25 September. Grab this opportunity and register for the sake of your community. You can't hope for a better life if you don't register.

For the elections to succeed, there must be thorough voter education. The government will do its utmost in this regard but we also appeal to community leaders and organisations of civil society, as well as the mass media to repeat the commendable work they performed before last year's elections.

Dear friends; here in Uitenhage you are laying a sound foundation for a bright and prosperous future. You must build on it and refuse to be diverted. Our future will be what we make of the opportunities that we have today. No one can build a better Uitenhage than the people of this town.

Once more, may I thank you for allowing me to join you as a citizen of this town. I hope to emulate the heroism and steadfastness of the residents of Uitenhage and live up to their established reputation.

I thank you all.

Missile Technology Regime Approves Membership
MB1409193695 Johannesburg SAPA in English
1716 GMT 14 Sep 95

[FBIS Transcribed Text] Cape Town Sept 14 SAPA — South Africa's membership of the Missile Technology Control Regime (MTCR) had been approved on Wednesday [13 September], the Foreign Ministry announced on Thursday. The 24-member country group had satisfied itself that South African control measures were adequate to control technology and equipment used in the development of ballistic missiles.

MTCR membership presented potential commercial opportunities for the country's defence-related industry, the statement said. It also strengthened South Africa's commitment to controlling weapons of mass destruction.

Other member countries include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain,

Sweden, Switzerland, the United Kingdom and the United States.

SANDF Exercise Designed for Peace Operations
MB1409130695 Johannesburg SAPA in English
1238 GMT 14 Sep 95

[FBIS Transcribed Text] Pretoria Sept 14 SAPA — A large military training exercise will be held in the Northern Cape and Western Cape to prepare the SA [South African] National Defence Force [SANDF] for possible peace support operations in the future, the SANDF said in a statement on Thursday [15 September].

Exercise Southern Cross will be held at the army battle school at Lohatla in the Northern Cape and at Saldanha in the Western Cape from October 18 to November 10.

Four brigades comprising members of part-time and full-time forces from the SA Army, SA Air Force, SA Navy and SA Medical Service will take part.

The SANDF said Exercise Southern Cross would replace Exercise Sombre, an annual army exercise, Exercise Golden Eagle, an annual air force exercise, and Exercise Red Lion, held annually by the navy. It will be the largest combined military training exercise to be held this year.

Part-time force members called up for the exercise will have completed their part in the operation by October 31, enabling them to vote in the local government elections on November 1.

Military representatives from the 11 member countries of the Inter-State Defence and Security Committee have been invited to attend as observers.

Modise: Navy To Pay Retrenched Staff in 1996
MB1509112695 Johannesburg SAPA in English
0954 GMT 15 Sep 95

[FBIS Transcribed Text] Cape Town Sept 15 SAPA — Naval personnel retrenched five years ago would have to wait until next year's parliamentary session before they received their retirement benefits, according to Defence Minister Joe Modise.

Despite "every effort" to have the payment authorised by parliament during this session, it had not been possible to do so, he said in a statement on Friday.

The Department of State Expenditure had advised that legislation on this would be given priority when parliament next reconvened. Independent actuarial calculations had taken longer than anticipated as a result of the complexities of each individual case, Modise said.

Documentation had not been ready for submission to the Parliamentary Joint Finance Committee to consider the legislation. "I regret the delay but give the assurance that everything possible will be done to finalise the matter at the next parliamentary sitting."

Mbeki Notes Need To Transform Economic Ownership

*MB1409194695 Johannesburg SAPA in English
1931 GMT 14 Sep 95*

[FBIS Transcribed Text] Johannesburg Sept 14 SAPA — Business and the government should join hands to broaden ownership and management of the economy from the privileged few to include those marginalised by apartheid, Deputy President Thabo Mbeki said at the South African Chamber of Business [SACOB] annual banquet on Thursday. In remarks prepared for delivery at the Carlton Hotel in Johannesburg, Mbeki said the South African economy had to be transformed and "deracialised".

He said he was encouraged by tentative moves by some companies to broaden economic ownership through joint ventures and "unbundling", but this was not enough. The responsibility of meeting the country's economic and social challenges could not be left to the government alone, Mbeki said. The government had a responsibility to ensure a stable transition and to engender confidence among private investors in the country's ability to manage the economy responsibly.

South Africa had seen a strong revival in private fixed investment, Mbeki said. In the first half of this year fixed investments were an encouraging 17 per cent higher than in the first half of 1994. Mbeki added the successful transition to democracy was a precondition for halting the sustained decline in domestic fixed investment and the steady deterioration of the economy.

Political transition had made possible renewed access to the world's financial markets and multilateral institutions such as the World Bank and the International Monetary Fund.

The government of national unity had inherited major problems of inequality, social infrastructure backlogs, poverty and unemployment. It had also inherited major fiscal constraints, including a high budget deficit, a 55 per cent debt-to-GDP (gross domestic product) ratio, and a government budget that was geared largely to funding recurrent expenditure. The government was working to shift the mix of government spending from recurrent to capital expenditure. The rationalisation of the public service was likely to reinforce this trend, he said.

All aspects of government spending were being reviewed and the government was moving to a system of multi-year zero-based budgeting.

In line with the GATT and WTO (General Agreement on Tariffs and Trade and the World Trade Organisation), the government was committed to a phased reduction of import tariffs with the specific goal of making South African industry more competitive, and reducing costs of imported foreign capital goods. Mbeki said the government had committed itself to the phased removal of the remaining exchange controls for residents.

The recently established Presidential ad hoc committee on economic policy was intended to address some of the critical questions to ensure economic recovery was sustained and socio-economic programmes and restructuring of the state sector remained fast-tracked.

Commenting on the new labour relations act, Mbeki said: "We believe this legislation provides an important institutional framework which unifies the disparate labour relations in the country."

One of the biggest problems inherited from the old South Africa was the enormous shortage of trained and skilled labour, he said. Government officials, private sector representatives and organised labour had been tireless in the last few years working to develop [words indistinct] to work with the government to ensure the success of the initiative.

Turning to education, Mbeki said the government was working toward the establishment of a student loan scheme, which as a modest beginning would assist 70,000 needy students.

He said the government was supportive of South African companies forming partnerships with their southern African counterparts, and leading an investment revival in the region. South Africa was committed to strengthening the South African Custom Union and the Southern African Development Community, Mbeki said. Another important initiative was the current negotiations with the European Union, aimed at allowing South African products better access to the EU market.

African Bank To Reopen for Limited Business

*MB1409161095 Johannesburg SAPA in English
1446 GMT 14 Sep 95*

[FBIS Transcribed Text] Johannesburg Sept 14 SAPA — All branches of the African Bank will re-open on Saturday [16 September] and limited new business conducted but depositors accounts will still remain frozen. Curator John Louw said on Thursday that, with the approval of the SA [South Africa] Reserve Bank,

he had decided to allow the bank to conduct limited new business from 8.30AM on Saturday, September 16, under certain conditions. All branches throughout the country would be re-opened.

Depositors' account balances as at the close of banking business on September 9 would remain frozen, and depositors would not be allowed to withdraw until further notice. However, savings account depositors with credit balances of R10,000 [rands] or less would be able to withdraw up to a maximum of R500.

Depositors who made and who continued to make deposits after the close of business on Saturday, September 9, and during the period of curatorship, would be allowed to withdraw up to the amount of the new deposits.

All borrowers must continue repayment of their loans as usual and no housing bonds will be foreclosed if the installments were up to date. Loans in arrear would be collected and action would be taken against defaulters. New loans and new credit facilities would not be granted. Unutilized facilities as at September 9 would no longer be available.

Mandela Reportedly Withdrew Money

MB1509073895 Johannesburg SAfm Radio Network in English 0500 GMT 15 Sep 95

[FBIS Transcribed Text] President Mandela and his Children's Fund are alleged to have withdrawn their deposits from the African Bank the day before it was placed under curatorship. Speaking on SABC [South African Broadcasting Corporation] Radio, African Bank Chairman Sam Motsuenyane said he had paid out Mr. Mandela's personal savings under duress, to the president's lawyer, Mr. Ismail Ayob, and he was waiting for the money to be paid back to the African Bank.

Meanwhile, an official of the Children's Fund, Mr. Jeremy Radcliffe, has denied that the fund had withdrawn 400,000 rands from the bank as the result of a tip off. He said earlier that it had been decided to transfer the money from the bank to the fund's financial adviser so that it might be invested in longer term stocks and shares.

Dr. Motsuenyane said the South African Government had a history of salvaging banks, and the African Bank should not be an exception. The government, he said, had salvaged the Trust Bank and ABSA [Amalgamated Banks of South Africa] Bank to the tune of 1 billion rands which would not be repaid in full until the end of next year. African Bank needed only 50 million rands to bring it back to solvency and to solve its liquidity problems.

Stals: IMF Report Contains 'Good Advice'

MB1509051495 Johannesburg SAPA in English 2042 GMT 14 Sep 95

[FBIS Transcribed Text] Johannesburg Sept 14 SAPA — A suggestion by the World Bank that South Africa's monetary policy had been insufficiently restrictive would be taken very seriously, Reserve Bank Governor Dr Chris Stals said on Thursday [15 September]. In remarks prepared for delivery at the BUSINESS DAY (newspaper) annual Business Achievement Award banquet in Johannesburg, Stals focused on the International Monetary Fund's annual report, released in Washington on Wednesday.

Stals said the fund's view on South African monetary policy was interesting.

The IMF report said: "It was observed that monetary policy had been conducted in an unusually difficult environment in 1994. Nevertheless the upturn in inflation and the sharp deterioration in the external current account suggested that the monetary stance had been insufficiently restrictive. Directors hoped that policy changes and the continued vigilance of the Reserve Bank would correct the problem in 1995."

Stals said the Reserve Bank took this good advice seriously. He said the IMF report contained a lot of good advice from the fund on what could be expected from South Africa.

He highlighted the IMF's exchange rate directive for South Africa, which stated "any depreciation of the rand must be considered in the context of real wage correction and labour market reform and to be supported by macroeconomic policies; otherwise it may spark a wage-price spiral".

Stals said: "South Africa is not only re-establishing the position in the world economy that it was expelled from in the eighties. We are now returning to a new world order that holds many new challenges for the old and new participants."

He urged other policy-makers in South Africa to also read the report with great care. It contained a number of directives which could be applicable to the current situation in South Africa. These included:

— Fiscal deficits undermined both national and world-wide savings and the simplest and best way for governments to boost such savings was by reducing these imbalances;

— Countries should take advantage of economic expansion to substantially reduce public sector absorption of private savings;

— A substantial improvement in public sector saving was needed to put growth on a firmer basis. In the medium term, a strengthening of the fiscal position allowed room for growth of the private sector;

— IMF directors urged policymakers to ensure capital inflows did not translate into higher consumption expenditures;

— The advantages conferred by participating in global capital markets made it worthwhile for countries to subject themselves to the rules and disciplines of the marketplace; and

— IMF board members emphasised the importance of positive real interest rates for mobilising the savings and investment critical for development.

Reserve Bank Chief Stals Addresses Shareholders

MB2508195995 Johannesburg MAIL & GUARDIAN (BUSINESS MAIL Supplement) in English 25-31 Aug 95 pp B6-9

[Speech by Reserve Bank Governor Chris Stals at the bank shareholders' general meeting in Pretoria on 22 August — published as an advertisement]

[FBIS Transcribed Excerpt]

Introduction

The South African Reserve Bank was formally established in terms of the Currency and Banking Act, passed by the Senate of the South African Parliament on 10 August 1920. The Bank opened for business for the first time on 30 June 1921, and the first Ordinary General Meeting was held on 29 July 1921. It is my honour now to address this, the seventy-fifth Ordinary General Meeting of the shareholders of the South African Reserve Bank.

The recovery phase in the South African economy which started in May 1993 has now lasted more than two years. During this period an average rate of real growth, as measured by increases in gross domestic production, of 3 per cent per annum was achieved. This represents a considerable improvement when judged against the contraction of total economic activity over the prolonged recession period from early 1989 to early 1993.

The expansion in total economic activity, however, followed a roller-coaster path during the current upswing. Economic growth was particularly strong in the second half of 1993 but then contracted again during the first half of 1994, when the election took place and the accompanying political uncertainties had an adverse effect on the economy. In the second half of 1994, however, the economy rebounded, only to lose some momentum

again in the first half of 1995 when adverse conditions in agriculture and in certain parts of the mining sector retarded growth.

These erratic movements were partly caused by extraneous factors, but they also reflected the difficulties experienced by the South African economy in the process of returning to normal conditions after having been internationally isolated and politically castigated for more than a decade. The macro-economic limitations on growth, ingrained in the system through many years of distortion and uncertainty, are now being exposed whenever the overall growth rate reaches for levels beyond 3 to 4 per cent. These constraints confine the sustainable growth of the economy to a level that is much too low to create sufficient jobs for the gainful employment of the growing labour force.

South Africa is now moving beyond the stage where investment interest was dependent on the return of the country to the world community. Investors, both domestic and international, are understandably becoming more assertive. They are demanding visible evidence of sound macro-economic policies, more certainty on future developments, and some assurance of reasonable returns, fair treatment and justifiable security. There is of course always risk in the future, and investments made for future returns can never be completely secure. The real question, however, is whether the South African investment environment [words indistinct] South Africa, while the South African investor will continue to exert pressure for the removal of exchange controls.

South Africa now faces the challenge of creating an investor-friendly environment that will enable the economy to break through the current limits of a growth potential that, as evidenced by the experience of the past two years, is too low to provide for the many needs and expectations of the people of this country.

A relatively stable financial situation as pursued by the monetary policies of the Reserve Bank, is an indispensable element of such an investor-friendly environment. On its own, however, financial stability is not a guarantee for more investment. To break through the existing ceiling of restricted economic growth, fiscal, labour, trade and industrial policies will have to join forces with monetary policy to pursue persistently the ultimate objective of a better economic future for all the people of this country.

Recent economic developments

Details of economic developments over the past year are presented in the Reserve Bank's Annual Economic Report released yesterday. The following review deals

only with a few of the more important developments of special significance for monetary policy.

Erratic but continuous economic upswing

Aggregate real domestic production expanded at an annualised rate of 5 1/2 per cent in the second half of 1994, but the growth rate then subsided to a level of only about 1 per cent in the first half of 1995. The overall improvement in economic activity was broadly based, but particularly strong in the manufacturing and services sectors. During the first half of 1995, large declines in the value added by agriculture and mining partly offset the continuing good growth performance of the other sectors. Excluding the primary sector, the rest of the economy continued to expand at a seasonally adjusted annual rate of 4 per cent. Total manufacturing production indeed increased at a healthy rate of about 6 per cent per annum.

On the demand side, total real gross domestic expenditure was even more robust and increased at a seasonally adjusted annual rate of about 10 per cent in the second half of 1994, followed by a lower but still relatively high rate of about 4 1/2 per cent in the first half of 1995. A strong rise in real outlays on fixed investment and the accumulation of inventories were to a large extent responsible for the comparatively large increase in total real gross domestic expenditure, which outpaced the growth in domestic production throughout the recovery phase of the business cycle.

The diverse trends in the various sectors of the economy were reflected in a contraction of the growth in the operating surplus accruing to business concerns in agriculture and mining, whereas profits generated in manufacturing, commerce transportation, telecommunication and finance rose sharply. Labour in general shared in the improved conditions and the rate of increase in the total nominal remuneration of employees rose from 10 per cent in 1994 to 11 1/2 per cent in the first half of 1995.

There was also a slight improvement in total gross domestic saving. The ratio of total saving to gross domestic product rose marginally from 17 1/2 per cent in 1994 to 18 per cent in the first half of 1995 — a level that remains substantially below the rate of about 24 per cent which is regarded as necessary to support economic growth of 4 per cent per annum. Because of high tax rates, most of the improved savings accrued to government and, on a statistical basis, served to reduce the rate of dissaving by government. The ratio of net saving by the private sector to gross domestic product fell back from 9 per cent in the second quarter of 1993 to 7 1/2 per cent in the first two quarters of 1995.

The improved economic conditions led to a reversal of the declining trend in total employment when the total number of workers in the formal non-agricultural sectors of the economy started to increase in the second quarter of 1994. Total employment, however, rose at a seasonally adjusted annualised rate of only 1.3 per cent in the last three quarters of 1994. This rate of increase is still well below the rate of growth in the total labour force and therefore not high enough to prevent a further rise in the total number of unemployed people in the country.

Despite the fact that, according to a recent household survey conducted by the Central Statistical Service, nearly one-third of the economically active population was unemployed in October 1994, the average nominal wages and salaries per worker increased by 11.9 per cent last year. Taking account of the average rate of inflation, this indicates a rise of about 3 per cent in real terms, which was more than the rate of increase in productivity per worker. The result was that the real unit labour costs in South Africa rose once again which further weakened the country's competitiveness vis-à-vis the rest of the world.

Large capital inflows protect the balance of payments

With gross domestic expenditure increasing at a faster rate than gross domestic production, imports of merchandise rose very sharply over the past eighteen months to open up a substantial deficit on the current account of the balance of payments for the first time since 1984. The deficit amounted to R2.5 billion [rands] in the second half of 1994, and then, in the first half of 1995, increased to R5.6 billion, equal to a seasonally adjusted and annualised amount of R10.2 billion. A sharp slowdown in the value of net gold exports, associated with a decrease in the gold production, contributed to this deterioration in the current account of the balance of payments.

The net capital inflow which had commenced after the election of the Government of National Unity in April 1994, continued in the first half of 1995 and amounted to about R18.6 billion over the twelve months from July 1994 to June 1995. More than 50 per cent of this capital inflow, however, represented short-term capital movements, mainly in the form of trade finance linked to the rising import bill and drawings under inter-bank financing arrangements entered into between South African banks and their foreign counterparts.

The surplus on the overall balance of payments, representing the combined result of the current account deficit and the net capital inflow, therefore amounted to

no less than R10.6 billion over the twelve months up to June 1995. This surplus enabled the country to increase the total net foreign reserves by the same amount. At the end of June 1995 the gross gold and other foreign reserves held by the Reserve Bank and other banking institutions amounted to R15.2 billion, which was still only equivalent to the value of six weeks' imports of goods and services. As at that date, the Reserve Bank's outstanding short-term foreign borrowings amounted to only R1.6 billion, compared with R6.7 billion a year earlier.

Supported by the net inflow of capital, the exchange rate of the rand remained relatively stable over the past year. After a relatively sharp decline of about 10.7 per cent during the first half of 1994, the average weighted nominal exchange rate of the rand first appreciated slightly, and then depreciated again early in 1995 to register a relatively small depreciation of only 3.9 per cent between the end of June 1994 and June 1995. This satisfactory result was achieved despite the abolition of the financial rand in March 1995.

Accelerated increase in money supply facilitates rising rate of inflation

The rates of increase in both production and consumer prices moved to higher levels over the past year. The production price index, measured over twelve months, reached a lower turning point of 5.4 per cent as early as October 1993, before moving up to 11.5 per cent in April 1995. Subsequently, it declined again to 10.9 per cent in May and 10.5 per cent in June. Both the prices of domestically produced and imported goods rose quite sharply over this period.

Consumer price inflation reached a lower turning point of 7.1 per cent in April 1994, and then edged upwards to 11 per cent in April 1995, before declining again to 10 per cent in June.

A number of factors contributed to the acceleration in price increases over the past year. A relatively sharp rise in food prices in the middle of 1994, which was only partly reversed during the first half of 1995, contributed to the increases in both production and consumer prices. The depreciation of the rand in the first half of 1994 had a somewhat delayed effect and prices of imported goods started rising more sharply only since July 1994. The more buoyant domestic economic conditions, and particularly the relatively sharp increases in domestic expenditure, added further to the inflationary pressures in the economy.

The South African economy still carries a deeply embedded structural inflationary bias, and little stimulation is needed to push price adjustments back into

the double-digit range. The continuing rise in real unit labour costs, the relatively large deficit in the public sector budget, intermittent depreciation of the rand, lack of more aggressive competition in domestic markets, and persistent inflationary psychosis with the public in general, all contribute to the inflationary bias.

Over the past year, the rising trend in both producer and consumer price inflation found countenance in an unduly large increase in the money supply. Over the twelve months ending June 1995, the M3 money supply increased by no less than 16.8 per cent, following an increase of 15 per cent over the immediately preceding twelve months period ending June 1994. Exceptionally large increases occurred in private sector deposits with banks in the second quarter of 1995 when the total M3 money supply rose at a seasonally adjusted annualised rate of 27 per cent.

The main reason for the large increases in the money supply was a substantial expansion in the total amount of bank credit extended to the private sector which rose by no less than 19.5 per cent over the twelve months up to June 1995. The relatively large increases in domestic expenditure and in imports were therefore to an important extent made possible by the creation of additional money. In the process, the total indebtedness of the personal sector rose to a new record level of about 60 per cent of personal disposable income. Not only government, but also private individuals in South Africa, are now over-discounting future income through an excessive level of current consumption.

A growing concern about the unduly rapid expansion in the money supply, which facilitated current inflation and may easily fuel future inflation through the multiplier effect of successive rounds of further spending of the newly-created money, prompted the Reserve Bank to tighten monetary policy gradually in the course of the past nine months. The Bank rate was therefore raised on three occasions, from 12 per cent in September last year to 15 per cent as from 30 June 1995.

In the process, the Bank partly encouraged and fully endorsed the rising trend in market interest rates. The tender rate on three-month Treasury bills, for instance, increased from 10.15 per cent in February 1994 to 12.69 per cent in December 1994, and further to 14.07 per cent in June 1995. The prime lending rates of banks were raised from 15.25 per cent in September last year to 18.5 per cent in the middle of this year.

At this stage, it would appear that the more restrictive monetary policy had not succeeded in reducing the unduly high rates of increase in bank credit extension and in the money supply, although in recent months there have been some signs of a levelling out in

the rate of increase in these aggregates. One of the reasons for this apparent insensitivity is the continuing abundance of liquidity available in the banking system. This is confirmed by the average daily amount of accommodation provided to banking institutions at the discount window which declined from about R5 billion in the middle of 1994 to only about R2 billion in June and July 1995.

In the circumstances, the banks paid little attention to the guidelines given to them at the beginning of the year for an acceptable rate of increase of about 10 per cent in their total credit extension to the private sector. As it turned out, nearly the full amount of R26 billion, representing 10 per cent of the total amount of bank credit outstanding on 31 December 1994, had already been absorbed during the first six months of the year in the net increase of the total claims of the banks on the private sector.

Bold efforts to reduce budget deficit

Government succeeded in reducing the budget deficit as a percentage of gross domestic product from 8.5 per cent in the 1992/93 fiscal year to 6.8 per cent in 1993/94. The Minister of Finance has budgeted for a further reduction in this ratio to 5.8 per cent during 1995/96.

It is imperative that the shortfall of total current government revenue in relation to total expenditure be reduced further in order to avoid even greater problems for the future management of fiscal policy, and for the achievement of the major macroeconomic objectives of the country. Continued excessive deficits on the government budget will:

- increase the total amount of government debt as a percentage of gross domestic product to a level beyond the present ratio of 55 per cent, which is already high for a developing economy;
- further increase the servicing cost of the public debt, which already absorbs 18.5 per cent of total government expenditure, to the detriment of other desirable social expenditure;
- absorb any improvement in the limited amount of saving which may become available for higher economic development, particularly to the extent that the deficit exceeds government capital expenditure;
- crowd out private sector investment that must be sustained to improve higher employment opportunities, through the upward pressure it exerts on the level of interest rates; and
- further contribute to the already high underlying inflationary pressures in the economy. [passage omitted]

Monetary policy and net capital inflows

For many years, foreign capital flows into and out of South Africa were dominated by non-economic considerations. In the turmoil preceding the South African political and social reforms the country had to contend over a prolonged period with a continuous large net outflow of capital. Indeed, over the nine-year period from 1985 to 1993 the accumulated net outflow amounted to more than R50 billion.

As pointed out earlier, this situation was dramatically reversed immediately after the election of the Government of National Unity in April 1994. The major part of the total net capital inflow of R18.6 billion from July 1994 to June 1995, however, was accounted for by an inflow of short-term capital. This included additional foreign borrowings of short-term funds by South African banking institutions and the use of foreign facilities to finance the growing volume of South Africa's international trade.

Although these short-term foreign liabilities have a formal maturity of less than twelve months, the facilities are normally available for longer periods, as they are utilised on a continuous basis. The existence of an unduly large amount of such short-term foreign liabilities does, however, make a country vulnerable to major changes in its perceived credit worthiness as judged by foreign lenders, and to the shocks of political or social upheavals.

The inflow of long-term capital, that is, investment in assets with a formal maturity of more than twelve months, on the other hand, also includes potentially volatile funds such as portfolio investments by non-residents in securities listed on The Johannesburg Stock Exchange. During the twelve months up to June 1995, the total net investment by non-residents made through The Johannesburg Stock Exchange amounted to R3.5 billion. Since the abolition of the financial rand in March 1995, these inflows, amounting to about R3 billion, were added to the net official foreign reserves, but any net outflows in future will, of course, have to be funded from the country's foreign exchange reserves.

The experience of Mexico during the past year provides a stark warning to other developing countries of the risks involved in the high degree of capital mobility in the present growing flexible international financial system. The kind and therefore durability and sustainability of capital inflows into any country will, to a very important extent, depend on the internal political, social and economic policies pursued by the country itself. The Mexican debacle, which was partly caused by excessive reliance on volatile investment inflows, and partly by adverse internal political events, underscores

the critical need at times to take timely and often unpopular monetary measures to contain a country's foreign financial credibility, and to counter adverse political developments. The Mexican experience also serves as a warning that the international capital markets can severely punish developing countries when they are perceived to follow non-sustainable domestic policies.

Easier access to international financial markets has undeniable advantages for a developing economy. Scarce domestic saving can be supplemented by attracting more non-resident investment capital; the capital importing country's net foreign reserves can be augmented by the inflows, thereby increasing its capacity to import more goods and services; domestic interest rates can be maintained at lower levels to lend more support to fixed investment; and the financing of the government's budget can be facilitated by raising funds abroad.

Capital inflows may, however, also have many undesirable effects on the economy, particularly if the inflows are predominantly of a short-term nature or can easily be reversed again. These undesirable effects will be exacerbated by a relatively large concentration of capital inflows in a relatively short period of time.

Firstly, in the environment of a floating exchange rate regime, as applies in South Africa, a net capital inflow in excess of the deficit on the current account of the balance of payments exerts upward pressure on the exchange rate, with a consequent reduction in the international competitiveness of the domestic economy. If the challenge cannot be met by appropriate internal adjustments such as increases in multi-factor productivity, and/or a decline in real wages and the gross operating surplus accruing to investors, the current account of the balance of payments will eventually deteriorate beyond sustainable levels. Any sudden discontinuation or reversal of the capital inflows will then demand even greater adjustments in less time, which can cause major disruptions.

Secondly, the capital inflows tend to increase liquidity in the banking system which could eventually stimulate an undesirable and excessive expansion in domestic credit extension. This problem may even be exaggerated by central bank intervention in the foreign exchange market with the objective of stabilising the exchange rate. Over the past year, the net foreign assets of the Reserve Bank increased by more than R10 billion with, as a counterpart, an addition to the reserve money base of the banking system. This explains at least partly the continuing liquid situation of the money market that underpinned the excessive increases in total bank credit extension over the past year, and also the undue large increases in the money supply.

Thirdly, the inflows of easily reversible capital also tend to conceal underlying structural deficiencies of the domestic economy and, as long as such capital inflows continue, they may even lull economic policy makers into believing that there is more time than they really have for essential structural adjustment. If, or rather when, the capital inflows subside or, even worse, the capital starts flowing out of the country one day, the structural deficiencies will re-emerge, but often then with an even greater vengeance. This is particularly true of deficiencies such as excessive deficits on the budget and on the current account of the balance of payments, both manifestations of insufficient domestic saving and of uncompetitive domestic production processes.

Fourthly, the capital inflows destabilise the domestic financial system and reduce the reliability of conventional indicators such as the money supply aggregates, money market shortages, short-term interest rates and the yield curve as a basis for monetary policy decisions. Even domestic financial asset prices can be badly distorted by such inflows.

These disadvantages are, of course, all reduced if the capital inflows should be less volatile and of a more permanent nature. Against the background of the Mexican experience, however, authorities in many countries, particularly in those countries with emerging economies such as Argentina, Chile, Colombia, Malaysia and Thailand, have over the past year introduced deliberate administrative and macro-economic disincentives to the excessive inflow of short-term capital.

South Africa also has to contend increasingly with conflicting objectives within the context of a large inflow of mainly short-term capital. There is an urgent need to increase the official foreign reserves held by the Reserve Bank, but also a commitment to restrict excessive increases in the money supply. Foreign capital is needed to supplement the scarce savings in the domestic economy and to provide foreign exchange needed to cover the rising bill for imports, but prudence and past experiences warn against the imminent danger of a rising tide of short-term international indebtedness. An appreciation of the exchange rate of the rand can make a contribution to the important price stabilisation objective, but it will at the same time harm the international competitiveness of the economy.

The approach of the Reserve Bank therefore has been one of caution. The main task of the Bank, namely to fight inflation, must remain a first priority. If the value of the rand is threatened by excessive capital inflows, which may necessitate Reserve Bank intervention in the foreign exchange market, the Bank must also act to neutralise the undesirable effect of the inflows on money

market liquidity, on domestic interest rates, on bank credit extension and on the money supply. Central bank intervention in these circumstances becomes essential to sterilise at least part of the domestic monetary counterpart of the capital inflows.

Against this background the Bank over the past year:

- intervened in the foreign exchange market and absorbed the equivalent of about R10 billion of the additional supply of foreign exchange made available through the inflow of capital;

- raised the minimum cash reserves for banking institutions;

- at times, issued special Treasury bills, transferred Government funds from the Tax and Loan Accounts with private banks to the Exchequer Account with the Reserve Bank, adjusted the asset portfolio of the Corporation for Public Deposits and entered into short-term US dollar against rand swap transactions with banking institutions, all with the intention of absorbing some of the surplus liquidity in the money market;

- became more aggressive in the bond market as a net seller of Government stock from the Bank's own monetary policy portfolio; and

- raised the Bank rate on three occasions from 12 per cent in September 1994 to 15 per cent in June 1995. [passage omitted]

Internal administration of the Bank

The staff of the Bank is fully committed to serving the mission of the Bank — that is, to protect the value of the rand. All staff members are continuously reminded of this overriding objective in all the activities of the Bank.

Over the past few years, the Bank has gone through a difficult rationalisation programme and the total staff of the Bank has been reduced from just over 2,400 people in March 1990 to approximately 1,800 presently. This was mainly necessitated by a reduction in the banking services provided to clients of the Bank, and the centralisation of the bank accounts of the central government in head office. The rationalisation programme primarily affected the branch network of the Bank.

The Bank also adjusted itself to the changing environment within which it operates and introduced three new functions in recent years.

Firstly, in order to provide for the training needs of the Bank's own staff and to make a contribution to the training of bankers in general, a Central Bank Training Institute was created with a full-time lecturing

and administrative staff. The Institute has now been firmly established in the old Reserve Bank building on Church Square and, during the past year, ran a number of courses in central banking functions and techniques, mostly for the Bank's own staff. It also presented a number of specialised courses in the field of central banking, covering areas such as general monetary policies, management of the foreign reserves, exchange rate and exchange control policies, and banking supervision.

The course in central banking was presented to selected personnel at the Bank of Namibia in Windhoek earlier this year, and the Institute will hopefully find it possible to assist other central banks in the Southern African Development Community, with their training needs. It is indeed the intention to invite other central banks in the region to send participants to some of the Institute's courses next year.

The Bank also introduced a Cadet Training Scheme with a view to developing new recruits in the banking world with a keen interest in following a banking career. The first intake of eight cadets was done in July 1994 and a second intake is planned for January 1996, when the management of the scheme will be taken over by the Training Institute.

At the same time, the Bank has stepped up its various internal training schemes for the advancement of its own staff. Of special importance is the Accelerated Management Development Programme which concentrates on a condensed training programme for younger staff with proven management skills.

The Bank Supervision Department presented a course in banking supervision to 25 participants from the East and Southern Africa Banking Supervisors Group (ESAF) in Pretoria from 5 to 16 September 1994. Bank supervisors from 13 different African countries participated in this course. The Bank has undertaken to repeat the course for the ESAF countries in September this year.

In expanding its assistance to central banks in other African countries, the Reserve Bank over the past year received 22 officials from 10 different African central banks on specialised training missions. The Bank is indeed enthusiastic about the role it can play in developing the skills of central bankers to promote more effective monetary policy mechanisms in the region.

Secondly, to accommodate the Bank's growing responsibilities for the extension of economic and financial co-operation with other African countries, an International Relations Division was established within the Economics Department. This unit now has six staff members and comes under tremendous pressure, not only because of

the Bank's own extended Africa relations, but also from various government departments for specialised assistance. [passage omitted]

Thirdly, in response to the explosive development of electronic financial services and of the volumes in the financial markets, the Reserve Bank in 1994 took the initiative to create, in consultation with banks and other stakeholders, a strategic framework for the reform of the national payment system. The framework provides for extended access to the national payment system and for different payment instruments, in order to cater for the diverse payment needs of the heterogeneous South African society, and also to encourage efficiency through competition. A new Payment System Division has been established within the Information Technology Department and extensive research work is being undertaken, also on the development of national payment systems in other countries. [passage omitted]

At a later stage, the logical next step will be to address regional and cross-border payment issues. Thereafter, it will be necessary to work towards the integration of the national system into international payment system networks. South Africa must be ready to participate in the world-wide trend towards the globalisation of financial markets, or be excluded from the advantages of greater international financial co-operation and integration.

Lastly, the Bank is also continuing with its internal affirmative action programme, which was difficult to apply previously against the background of the rationalisation programme and the reduction of 25 per cent in the total staff of the Bank over the past few years. Good progress has nevertheless been made with the development of a multi-cultural climate and with the active restructuring of the staff complement. Over the past eighteen months, the total white complement of the staff has indeed been reduced by 193 persons, whereas the black complement has been increased by 67.

In view of the technical nature of central bank operations, the essential need to maintain high standards and the unceasing quest for excellence in the South African Reserve Bank, a cautious policy, traditional to central banking in general must also be followed with staff management. [sentence indistinct] As with the implementation of monetary policy, the Bank is determined also with its internal administration to serve the national interest with a well-planned programme of sound and disciplined adjustment. [passage omitted]

ANC To Field Candidates in 85 Percent of Wards
MB1409151395 Johannesburg THE STAR in English
14 Sep 95 p 2

[Report by Mondli Makhanya]

[FBIS Transcribed Text] The ANC has set aside R20-million [rands] to fight the upcoming local government elections and expects its structures to pour more money into the campaign, ANC deputy secretary-general Cheryl Carolus said yesterday.

Under the slogan "A better life: Let's make it happen where we live", the ANC has fielded about 6,000 candidates to fight 85% of the wards being contested on November 1. Carolus told a media conference that the ANC had set up a "command centre" and "crisis centre" at the organisation's Shell House headquarters to run the campaign. "The ANC is approaching the November local government elections with the same determination that earned us the mandate of the people in the country's national and provincial elections," she said.

The ANC had registered a total of 6,000 candidates countrywide and would be contesting virtually every ward.

It was fielding 873 candidates in Gauteng, 1,289 in the Eastern Cape, 717 in the Free State, 441 in the Northern Cape, 697 in Mpumalanga, 592 in Northwest, 483 in Northern Province and 886 in the parts of the Western Cape where elections are going to be held.

It was also concerned that there was low registration in some townships.

No candidates had been put forward in KwaZulu/Natal, where elections are set to be postponed to early next year, Carolus added.

It would be fighting the elections in alliance with COSATU [Congress of South African Trade Unions], the SA [South African] National Civic Organisation and the SA Communist Party.

Volksfront Seeks To Build Private Hospitals

MB1409160695 Johannesburg SAPA in English
1432 GMT 14 Sep 95

[FBIS Transcribed Text] Pretoria Sept 14 SAPA — The "appalling" conditions at state hospitals had prompted the rightwing Afrikaner Volksfront [Afrikaner National Front, AVF] to set up a medical co-operative which would build its own hospitals, AVF leader Dr Ferdi Hartzenberg said on Thursday [14 September]. He told a media briefing in Pretoria the co-operative, a non-profit organisation, would sell shares totalling R1 billion [rands].

Shares of R10 each had already been marketed to about 100,000 people in the past two weeks, co-operative actuary Dave de Waal said. "We are now receiving about 100 share applications a day." He added the AVF had set up its own computer databank to provide a 24-hour service to people looking for aids-free blood donors. At least 15,000 doctors were participating.

Hartzenberg earlier released a report on conditions at HF Verwoerd Hospital in Pretoria. It was compiled by a committee of five, including former surgeon Dr Petrus Retief, former chief matron Cecile Roux and former hospital superintendent Dr Drienie Malan. They found that the reception area of the hospital was being used as a dormitory and a toilet by visitors, that the main kitchen was overrun by cockroaches and that the casualty department was inefficiently run. "As far as the medical side is concerned, the hospital makes use of a number of foreign doctors who are clearly ill-equipped to carry out instructions," Hartzenberg said. "Many serious mistakes occur."

De Waal said the AVF's co-operative, known as Loeriemed, would also form partnerships with existing private hospitals. At least 13 such institutions around the country were interested and negotiations were underway. Loeriemed was in the process of setting up its own academic hospital with the help of 15 surgeons. The co-operative's hospitals would provide heart and lung transplants by a medical team which had offered to do such operations free of charge, De Waal said. "We have also started our own pharmaceutical industry to produce medicine."

Hartzenberg said a Loeriemed medical scheme would be offered to shareholders in the co-operative. "We are not prepared to subject our people to the chaotic conditions in state hospitals. Through our initiatives we want to help establish a reliable and human medical service for our own people."

N. Province Rules Against Private Hospitals

MB1409124595 Johannesburg SABC TV 1 Network in English 0500 GMT 14 Sep 95

[FBIS Transcribed Text] A decision by the Northern Province not to approve the establishment of private hospitals in the foreseeable future has been sharply criticized. The NP [National Party], CP [Conservative Party], and Freedom Front have all voiced their dissatisfaction, describing the decision as socialistic and shortsighted.

They were responding to an announcement by Dr. Nicholas Crisp of the province's Department of Health and Welfare. He said no private hospitals would be built until health services in the provinces had stabilized. Dr.

Crisp said this was needed in order to render effective and affordable health care to all the province's people.

Firearms Disappear From Police Custody

MB1509112795 Johannesburg SAPA in English 0956 GMT 15 Sep 95

[FBIS Transcribed Text] Durban Sep 15 SAPA — Police in KwaZulu/Natal have launched an intensive investigation into the disappearance of 23 firearms from an empty prison cell at Impendle police station in the Midlands.

Police spokesman Lt-Col Bala Naidoo said on Friday the theft was discovered by the Impendle station commander on September 12 following an inspection of the exhibit register. The missing firearms were among a collection of confiscated arms linked to various crimes.

Naidoo said police were unsure exactly when the firearms disappeared, but a weapon confiscated from a man arrested on August 28 was subsequently found to be one of the missing firearms. Police suspect the theft took place between August 24 and August 28.

KwaZulu/Natal police MEC [member of the Executive Council] Rev Celani Mtetwa had been informed, Naidoo said.

The theft follows a similar incident in July when 25 firearms disappeared from the Ballistics Unit at Durban's Point Road station.

— Police on Thursday reported a further five murders in the province since Wednesday. Two men were shot dead in Umlazi outside Durban on Wednesday. In Ezakheni near Ladysmith, 30-year-old Dolo Khoza was shot dead at a party on Wednesday night. The body of Mphoseni Langa was found on a gravel road in Highflats on the south coast on Wednesday, while the body of Bonginkosi Luthuli was found in the KwaCele residential area on the south coast on Thursday. Both men had been shot dead.

Senate Passes 'Stricter' Immigration Bill

MB1409204495 Johannesburg SAPA in English 1942 GMT 14 Sep 95

[FBIS Transcribed Text] Senate Sept 14 SAPA — The Aliens Control Bill, providing for stricter and more effective control of illegal immigrants, was passed unanimously on Thursday.

Last year about 12,000 illegal immigrants were arrested in South Africa for offences related to drugs, diamonds, arms, crayfish and abalone, Senator Ruth Rabinowitz (IFP [Inkatha Freedom Party]) said.

It was estimated that there were between two and eight million illegal immigrants in the country, which constituted about 12 percent of the population.

The implementation of the new legislation would mean that visitors will be issued with visas stating the reason for their entry into the country. These would include qualifications for business, study, medical reasons, holiday and job-seeking.

South African Press Review for 14 Sep

M21409133495

[FBIS Editorial Report]

SOWETAN

Collapse of African Bank — Johannesburg SOWETAN in English on 14 September in a page-10 editorial is saddened by the collapse of the African Bank, noting that it is the collapse of "another major black enterprise." "The fact is this bank has become the kind of institution that carries the scars of years of deprivation and unashamed discrimination. For this reason we appeal to

the Government to convince the Reserve Bank that the bank should, despite the technical difficulties, be saved for politico-historical reasons."

BUSINESS DAY

Labor Relations Bill a 'Fair Balance' — A page-8 editorial comments on the passing of the Labor Relations Bill, saying it will still have to be seen whether the new law will achieve its primary objectives of "advancing economic development, social justice, labour peace and the democratisation of the workplace." If unions try to use their new rights, including that of striking without fear of dismissal, to "pursue narrow, short-term interests, the effects on local and foreign investor confidence will be dire." **BUSINESS DAY** believes the new act represents "a fair balance of competing interests. Clearly, no law can prevent the more powerful of those interests from acting in a destructive manner. All one can hope is that new structures to be established, along with some sense of public spirit, instil in all parties a desire to make the new system work."

Angola

Future UNITA Troop Assembly Areas Inspected

MB1309205195 Luanda TPA Television Network
in Portuguese 1930 GMT 13 Sep 95

[FBIS Translated Excerpt] The Joint Commission today inspected the areas where troops belonging to the National Union for the Total Independence of Angola [UNITA] will be confined. Things are proceeding slowly but surely at Tchikala-Tcholoahanga and Londuimbali in Huambo Province. Mediator Alioune Blondin Beye assured UNITA that the United Nations will set up suitable sites for the confined troops. [passage omitted]

[Begin Beye recording, in French with passage-by-passage translation into Portuguese] UNITA has been (?participating) in the construction of these confinement areas, and General Ben-Ben has promised that UNITA troops will begin to arrive as soon as the confinement areas have been built. [end recording] [passage omitted]

Chris Garuba, military commander of the UN Angola Verification Mission-3, said more than 15,000 men are expected to be confined during this first phase: 5,000 in Negage, Uige Province; 10,000 at Tchikala-Tcholoahanga and Londuimbali in Huambo Province; and about 5,000 in Quibala, Cuanza Sul Province [figures as heard]. [passage omitted]

Money Laundering Operation Reported

95P21032 Lisbon EXPRESSO in Portuguese
19 Aug 95 pp 1-2

[Article by Gustavo Costa, EXPRESSO correspondent in Luanda]

[FBIS Translated Text] More than \$150 million (or more than 20 million contos) may have been moved in money laundering operations through crossed transactions stemming from drug trafficking and diamond smuggling, reportedly involving ties between some foreign exchange establishments in Luanda and the illegal network's principals, our newspaper was told by a source close to the National Bank of Angola (BNA). Brazilian, South African, Nigerian, Malian, and Angolan citizens are reportedly involved in these operations, which, until the Lusaka protocol was signed on 20 November 1994, were not under official control. These individuals have reportedly turned the diamond-rich Lunda area into an obligatory stop to "convert" drugs into diamonds with the connivance of mid-grade government officials.

At this time, Pretoria and Rio de Janeiro are more widely used by the drug traffickers for delivery to Angola. "Angola is an Eldorado for money launderers

because it is a fiscal paradise, it is in absolutely financial disorder, and, to top it off, it grants absolute judicial immunity," said a European diplomat to our newspaper. According to Ministry of Finance sources, to this type of business must be added what is called a "transfer without expenditure of foreign currency," involving the importation of goods that in some cases never even reach Angola.

The involvement of some Luanda foreign exchange establishments in these deals and the detection of this network may be at the root of the BNA's decision to close some of them for "non-conformance with the legal dispositions regulating their activity," according to a high official of the Angolan judicial police. However, the owners of these establishments allege that all their documents are up to date and that they are the target of blackmail on the part of some BNA officials who, according to them, are intentionally freezing procedures while awaiting the final decision to be made by a "commission."

What is certain is that the Angolan Government just found that some of the owners of these establishments, whose operations are sometimes larger than those of commercial banks, keep the proceeds of their operations and, instead of depositing them, exchange them for foreign currency on the parallel market, subsequently converting that into diamonds. This is partially due to the discredit of the banking system, which does not possess foreign currency to sell freely on the market, nor does it guarantee kwanza deposits. For some BNA experts, this "flight" may be one of the causes for the inflationary wave that is turning the market uncontrollable, to the extent that few believe that inflation in Angola will be below 1,000 percent by the end of the year.

Even more serious for the Angolan economy is the fact that, in the underworld of money laundering, agents linked with foreign currency offices are no longer the only ones involved. As a Ministry of Finance inspector told our newspaper, some government agents are also involved. They have connections with commercial banks and with gas stations and lottery shops, whose earnings are not deposited in banks, but are again exchanged for foreign currency on the parallel market to be subsequently sent abroad. Some Sonangol officials are even freezing the proceeds from fuel sales under the pretext that "banks are not looking for the money to be deposited." This situation may lead to the closure of some gas stations. However, there are some who admit that the network is already established in other state companies which, in the present economic situation, find that to survive they must either exchange their earnings on the parallel market, or face the risk of bankruptcy.

Botswana**Minister: Resources Best Left to Private Sector**

*MB1509064695 Johannesburg SAPA in English
2109 GMT 14 Sep 95*

[FBIS Transcribed Text] Gaborone Sept 14 SAPA — Botswanan Vice-President Festus Mogae, also minister of finance and development planning, on Thursday [14 September] said the country's resources would be used more effectively if left at the disposal of the private sector.

"The most important thing that has taken place in the developing world is a change in political organisation and economic policies toward pluralism and free enterprise," he said at the opening of a national business convention.

The government should not be a passive bystander in the development process but play an active role by creating the right policy environment for Botswana's businessmen and other investors.

"That will include removing cumbersome administrative controls, deregulation of prices, wages and exchange rates," Mogae said. "The challenge facing the private sector will be to take up the room created by the government."

Bank of Botswana Governor Quill Hermans warned businessmen not to become so accustomed to complaining about the status quo that they became unwilling to accept the challenges of the 21st century.

Malawi**Tembo Interviewed on Release, Prison Conditions**

*AB1309174195 London BBC World Service
in English 1705 GMT 12 Sep 95*

[From the "Focus on Africa" program]

[FBIS Transcribed Text] The man who used to be one of the most-feared politicians in Malawi has been freed on bail after a successful appeal to the Supreme Court. John Tembo had been in custody for nine months and he has been charged along with ex-President Banda, his companion Cecilia Kadzimir, and three senior police officers with involvement in the murder of three cabinet ministers and an MP in 1983. On the line to Blantyre, Robin White asked Mr. Tembo if he was surprised that he had been granted bail.

[Begin recording] [Tembo] I was expecting that sometime bail might be granted, and I was delighted that it was granted yesterday.

[White] So it's good to be home.

[Tembo] It's wonderful to be home.

[White] Now, how were you treated when you were being held?

[Tembo] Well, I was treated like every other prisoner. I think within the prison condition I was treated fairly. At the beginning of course, I had one or two problems. I had a health problem which was not attended to quickly, but after that it wasn't so bad.

[White] What was the health problem you had?

[Tembo] I had a bad tooth which had to be attended to by dentists.

[White] Were you allowed visitors?

[Tembo] I was allowed the visit of my wife to bring me food.

[White] And were you allowed reading material, that kind of thing?

[Tembo] Yes, I was allowed reading materials. I was sleeping on the floor like everybody else.

[White] When you say on the floor, on a mattress, or what?

[Tembo] Not on a mattress, on the cement.

[White] So you were given no special privileges?

[Tembo] I was given no special privileges.

[White] So how did you cope with all this mentally?

[Tembo] Oh, I coped quite well, considering that I spent nine months there, and I am out of it, and I am fit both physically and mentally.

[White] Did you mix with other prisoners?

[Tembo] Well, I had an occasion to talk to some of the prisoners, yes, but there was no free mixing with the prisoners as one might say.

[White] When you were in power, quite a lot of Malawians were also sent to jail. Do you now have regrets that they were sent to jail?

[Tembo] As it is now, I am not interested to go into politics. I think that if you ask me about my prison conditions, what effect they have on me, and what my life is like, future, I think that sort of thing I will deal with.

[White] I was asking you if personally you might have started to regret what you yourself had done previously?

[Tembo] I am not talking about what I have done or what I have not done.

[White] You know, being in jail for nine months, you might have had a lot of time to think about those things.

[Tembo] Don't forget that I am on bail, and as a person who is on bail, my immediate concern is to deal with the case which is going on in court now.

[White] Let me put it another way. What did it feel like being a once very powerful man in jail. What did that feel like?

[Tembo] Get your thoughts and your questions sorted out. When you do, ring me. [end recording]

Mozambique

Foreign Minister on Disappearance of Aid Money

MB1409150595 Maputo Radio Mozambique Network in Portuguese 1030 GMT 14 Sep 95

[FBIS Translated Text] Mozambique Foreign Affairs Minister Leonardo Simao told Radio Mozambique today that the Planning and Finance Ministry has conducted an inquiry into the alleged disappearance of money granted by Norway to the Agriculture and Fisheries Ministry to support the emergency aid program which would provide seeds and agricultural tools to people in need.

That money is managed by the Swedish International Development Agency, SIDA. Of the amount made available for that program, it is known that some \$1.8 million was diverted. Foreign Minister Simao said measures have been taken and results are awaited.

[Begin Simao recording] Disciplinary measures are under way. We must wait for the results. I cannot give you any numbers, but I know disciplinary cases have been opened and are under way. I cannot comment on the findings, either. As you know, a disciplinary case is not a condemnation. In addition, people have the right to defend themselves. Thus, the competent authorities are giving a great deal of attention to this matter. [end recording]

Simao noted that relations with Sweden and Norway remain normal, even though there [was] indistinct to talk on behalf of the Swedish Government. So far, we have worked just as we used to do. There have been difficulties getting financing for this program which provides agricultural tools and seeds to people in need. Getting financing extended is also a problem. As I pointed out earlier, these are the preliminary stages of a process that will only wind up some time in the future. [end recording]

The Mozambican foreign minister also said the inquiry's results will be made public as soon as possible.

Renamo Says Frelimo Trying To Eliminate It

MB1409194095 Maputo TVM Television Network in Portuguese 1800 GMT 14 Sep 95

[FBIS Translated Text] The Mozambique National Resistance [Renamo] has accused the Mozambique Liberation Front [Frelimo] of trying to eliminate it from the political scene. According to a press communique from the Renamo National Council, Frelimo's plan is to disorganize its main rival by 1997, two years before the second general and multiparty elections. In the same communique, Renamo gave assurances that it will come to power in the not very distant future. The Renamo National Council noted, however, that all companies with a capacity to develop the country economically are in the hands of foreigners, while the few in the hands of nationals are owned by ministers and other Frelimo officials.

Namibia

Germany's Kohl Ends Visit, Pledges Further Aid

AU1509103595 Cologne Deutschlandfunk Network in German 0900 GMT 15 Sep 95

[FBIS Translated Text] Federal Chancellor Helmut Kohl has ended his eight-day visit to southern Africa. On the last leg of his trip, in the Namibian capital of Windhoek, he pledged to continue German development aid, saying that the main emphasis should be on educational and training promotion. Like in South Africa, in Namibia, too, Kohl encouraged German industry to invest.

Firms Investing 35 Percent of Assets Locally

MB1409163095 Windhoek THE WINDHOEK ADVERTISER in English 8 Sep 95 p 1

[Report by Lucia Mutikani]

[FBIS Transcribed Text] Ninety percent of financial institutions, pension funds and insurance companies have complied with government's requirement to invest 35 percent of their assets into the local economy, a senior Finance Ministry official said yesterday. However, it could not be immediately established how much money had been brought back into the country following this regulation which came into effect on June 30 this year.

Namibia has been dubbed a major exporter of capital to neighbouring South Africa, stimulating that country's economy at the expense of its own. A large portion of Namibian pension fund assets are still invested in South Africa.

"Ninety percent of the financial institutions, pension and insurance companies have complied with the requirement stating that they must invest 35 percent of their

assets in Namibia," the official told The Windhoek Advertiser. "A few companies have invested more than the required amount. However, I am not in a position to say how much money has been brought in because we are still receiving statistics from some pension funds which applied for an extension of the deadline."

As of last year, approximately N\$11 billion [Namibian dollars] in pension and insurance funds, from Namibian policy holders, was invested in South Africa. This requirement for financial institutions to invest 35 percent of their assets in the local economy, has boosted trading on the Namibian Stock Exchange (NSE), but some members of the business community are skeptical that the regulations will stop the money from filing back into South Africa because of dual listing.

SWABOU [Southwest African Building Society] Board Chairman Mr Des Mathews said the dual listings of South African shares both on the Johannesburg Stock Exchange and the NSE had opened the door for indirect repatriation of contractual savings to South Africa.

"It is a cycle...the money goes back to South Africa through the JSE and comes back again to Namibia through the NSE," said the official.

Meanwhile, the United Pensions Administrators has said that the new investment regulations have disturbed the asset composition of funds to the extent that investment in medium and long term SA [South Africa] gilts and Kruger Rands are no longer possible to any relevant extent.

Swaziland

Deficit Reduced By 197 Million Emalangeni

MB1509101095 Mbabane THE TIMES OF
SWAZILAND in English 15 Sep 95 pp 1, 32

[Report by Musa Ndlangamandla]

[FBIS Transcribed Text] Mbabane — The country's deficit has been reduced from E281 million [emalangeni] last year to an estimated E84 million this year.

The purchase of the controversial Fokker F100 aircraft last year accounted for part of the increase in the deficit to E281 million. This was said yesterday by Minister of Finance Dr Derek von Wissell in an interview with the Times. He said the major cause of the deficit is the cost of recurrent expenditure which includes salaries for the Public Service.

He said it was not true that the deficit stands at an astonishing E202 million as was claimed by Chairman of the Swaziland National Business Council Stanley Fakudze recently. Mr Fakudze was speaking at a meeting of the

council on Thursday last week, at the Royal Swazi Sun Convention Centre.

The minister attributed the decline of the deficit to improved and more efficient tax collection and several money saving measures which were brought in by government, this year. Dr von Wissell added that the country received exceptional income from the Southern African Customs Union [SACU].

He said E744 million was collected from SACU in the financial year 1995/96 while E566 million was obtained in the year 1994/95.

"In 1993/94 the deficit was at E171 million. In 1994/95 it was E281 million and in 1995/6 it was estimated at E84 million.

"The E281 million deficit last year was largely caused by the purchase of the plane. There is expected to be an under expenditure in capital projects this year, which may bring the deficit below the estimated E84 million. However, the general trend indicates a growing deficit in the years to come," he said.

Dr von Wissell said the deficit is projected to rise to E400 million in 1998/99. Dr von Wissell said there is pressure to take drastic measures to control government expenditure even more strictly. "There is need for belt tightening in all sectors of the government, parastatals and subvented organisations. There is also the need to get the economy moving so that we can increase our income from taxes and create jobs for our people," he said.

Finance Minister on Annual Decline of GDP

MB1509101295 Mbabane THE TIMES OF
SWAZILAND in English 15 Sep 95 pp 1, 32

[Report by Musa Ndlangamandla]

[FBIS Transcribed Text] Mbabane — The people of Swaziland are getting poorer and poorer by the year, as the Gross Domestic Product per capita (per person) declines annually. This was said yesterday by Dr Derek von Wissell in an interview with the Times.

The Dictionary of Finance by Bannock and Manser defines the GDP as: "The money value (at market prices) of the goods and services produced by the economy in a period of time, usually a year."

Dr von Wissell said the GDP reached its peak in 1990 where it was placed at about E1,400 [emalangeni] per person per year, yet in 1995 it is estimated at about E1,290 which shows a decline.

The GDP chart which was made available to the Times, portrays a gloomy picture that in the next three years

(1998) it will be E1,240. "The decline in the GDP shows that the people are getting poorer because the wealth that is produced per person per year continues to decline. Unless drastic steps are taken to improve the economy and national production the situation will get worse," he said.

He was asked at what stage is the International Monetary Fund likely to come in and impose structural adjustments. He said: "If we do not change the economy significantly we will find ourselves being forced into structural adjustments. I am optimistic that by taking action now we will avoid imposed structural adjustments," he said. He said Swaziland is still listed in the lower middle income countries.

Zimbabwe

IMF Freezes Loans to Country for Six Months

MB1409151695 Johannesburg SAPA in English
1332 GMT 14 Sep 95

[FBIS Transcribed Text] Harare Sept 14 SAPA — Zimbabwe has been cut off from funding from the International Monetary Fund for six months because President Robert Mugabe's government had failed to meet promises it made to slash its rampant spending habits. It is the second time this year the IMF has stopped loans to Zimbabwe.

Financial analysts said the new suspension reflected the IMF's frustration with Zimbabwe's inability to manage its economy.

THE HERALD, the country's main daily newspaper, on Thursday [14 September] quoted an IMF spokesman as saying Zimbabwe had borrowed money to enable it to implement economic and fiscal reforms while promising to reduce expenditure and liberalise the economy. "Sometimes the promises are not met and, having disbursed the money, we look at ways of disciplining the country," he said.

Finance Ministry Permanent Secretary Charles Kuwaza said the suspension affected loans for balance of payments support and the country had been put under a "shadow programme" in which it is kept under surveillance until the end of March next year.

Analysts said it meant Zimbabwe had lost the last U.S.\$ 60 million payout of an IMF loan and would not be able to secure a new loan unless it met conditions laid down by the IMF within the next six months.

The government narrowly missed having a U.S.\$ 83 million tranche of a U.S.\$ 460 million Enhanced Structural Adjustment Facility (ESAF) loan blocked in January by introducing a crash basket of new taxes.

But in June the IMF confirmed it was freezing the final U.S.\$60 million tranche, pending the outcome of the budget.

Benin

President Undergoes Back Operation in Paris

LD1309222595 Paris Radio France International
in French 2130 GMT 13 Sep 95

[FBIS Translated Text] Benin President Nicéphore Soglo is in Paris for medical treatment. In Cotonou, the office of the president confirmed that he had undergone an operation today, 13 September, for a slipped disc.

Ghana

Parliament Urges Lifting U.S. Embargo on Cuba

AB1309195795 Accra Ghana Broadcasting
Corporation Radio Network in English
1800 GMT 13 Sep 95

[FBIS Transcribed Text] Parliament today approved the motion calling for the lifting of the 36-year-old blockade the United States has imposed on Cuba to allow for normalization of relations between the two countries. The motion, which was amended at the sitting, noted that the blockade violates the principles of natural justice.

Moving the amendment motion, the member for Ablekuma South, Mr. George Quainoo-Mettei maintained that the blockade violates the principles of natural justice and violates human rights and negates the tenets of international relations. Winding up the debate, the member for [name indistinct], Nii Adjei Boisekai, who moved the original motion, said the popular position throughout the world is that the blockade is condemnable and it is not helping any country. The member said the Cuban authorities are taking steps to open up the island's economy, and to improve human rights.

Liberia

UN Observers Confirm Cease-Fire Violations

AB1409104595 London BBC World Service
in English 0615 GMT 14 Sep 95

[From the "Network Africa" program]

[FBIS Transcribed Text] For the past few days, there have been claims and counterclaims of renewed fighting in Liberia. It has been alleged that the three-week old cease-fire has been broken by fighting between rival factions of the United Liberation Movement, ULIMO. Up until Tuesday [13 September], there was no independent assessment of the situation, but now, a team of United Nations military observers and troops in the African peacekeeping force sent to the region yesterday have reported fighting continuing around the diamond-

rich area of the Lower Lofa Bridge in the northwest of Liberia. Budu Kessy reports from Monrovia:

[Begin Kessy recording] Although the extent of the fighting is not yet known, this is by far the first major violation of the country's three-week old cease-fire which saw the swearing into office of the six-member collective presidency. The UN and the peacekeeping force said they have asked the rival factions to stop the fighting and withdraw about 30 km from the combat area.

The fighting comes at a time the African peacekeeping force has just released a timetable, setting 26 September for fighters to leave the highway as the start of the disarmament process. The peacekeepers have also urged the fighters to submit lists of members of combatants and weaponry, but observers think the cooperation of the factions will depend on how best the UN and ECOMOG [ECOWAS Cease-Fire Monitoring Group] will resolve the ULIMO in-fighting. [end recording]

Nigeria

Council: No Decision Made on Coup Plotters

AB1409214095 Lagos Radio Nigeria Network
in English 2100 GMT 14 Sep 95

[FBIS Transcribed Text] The Federal Government said it has not taken any decision on the fate of the convicted coup plotters. The Chief of General Staff, Lieutenant General Oladipo Diya, stated this after a meeting of the Provisional Ruling Council [PRC]. Oji Ogbania Oji was on hand:

[Begin Oji recording] All the 26 members of the reconstituted council were present at the meeting presided over by the head of state, General Sani Abacha. Non-members of the council who took part in the opening session were the secretary to the government of the federation, Alhaji Aminu Saleh; the attorney general and minister of justice, Mr. Michael Agbamuche; and the minister of finance, Chief Anthony Ani. General Diya, who declined to give details on issues discussed at the meeting, however said that top on the agenda was the question of national security.

In an answer to a question, Gen. Diya explained that no decision had been taken on the fate of convicted coup plotters. The chief of general staff expressed the hope that another meeting of the Provisional Ruling Council will be convened in earnest.

Efforts by anxious newsmen to get other PRC members to comment on the outcome of the deliberations were fruitless. Most of them emerged from the (Aso Calvary Chambers), venue of the meeting, and went straight into their cars.

The Provisional Ruling Council was reconstituted following the last changes in the machinery of government, when some of the former members were appointed into other sensitive government positions. [end recording]

High Court Suspends Bail for Ransome-Kuti

AB1309160395 *Libreville Africa No. 1 in French*
1215 GMT 13 Sep 95

[FBIS Translated Text] The Lagos Federal High Court has granted bail to Dr. Beko Ransome-Kuti, who has been held in secret detention by Nigerian security services since 27 July. Counsel for the Federal Government, however, objected to the decision citing security reasons. The ruling has therefore been suspended till the next hearing fixed for 27 September.

According to relatives and the Nigerian media, Dr. Ransome-Kuti was recently sentenced to life imprisonment by the Special Military Tribunal set up to try civilians and soldiers implicated in the presumed coup plot to overthrow General Sani Abacha's regime.

Abacha Swears In New Council Members

AB1409203095 *Lagos Radio Nigeria Network*
in English 1700 GMT 14 Sep 95

[FBIS Transcribed Text] Six new members of the Provisional Ruling Council have been sworn in. They are the general officer commanding the 3d Armored Division, Major General Laurence Onoja; the Flag Officer at the Eastern Navy Command, Navy Commodore Victor Ondo; and the air officer commanding the Tactical Air Command, Air Commodore Emmanuel Edom. Others are the Air Officer Training Commandant, Air Vice Marshal Garba Issufu Kontagora, the commandant of the Nigerian (?Military) Academy, Air Vice Marshal Dagash; and the representative of the Nigerian Army, Major General Valegun.

The head of state, General Sani Abacha, swore all the new members in today shortly before the commencement of the meeting of the Provisional Ruling Council. The meeting is expected to deliberate on important national issues, including the fate of the convicted coup plotters, the transition program, and the state of the nation economy.

Senegal

Presidential Decree Dismisses 2 Ministers

AB1309195495 *Libreville Africa No. 1 in French*
1215 GMT 13 Sep 95

[FBIS Translated Excerpt] The crisis which had been brewing within the Senegalese Government has finally

come to the fore. Two ministers of the Independence and Labor Party [PIT] were dismissed by a presidential decree published yesterday. They are PIT Secretary General Amath Dansokho, minister of urban planning and housing, and Maguette Thiam, minister-delegate in charge of planning. Our Dakar correspondent Abdoulaye Thiam reports on the reasons for the dismissals.

[Begin Thiam recording] The trouble began when the PIT Central Committee issued a statement on 19 August to the effect that Senegal is badly governed. PIT Secretary General Amath Dansokho reaffirmed this statement at Thies, the Rhaye regional capital, on 27 August. This sensational statement made waves within the Socialist Party and was described as wintry.

When President Abdou Diouf was questioned on the issue after he returned to Senegal last week, he simply repeated Aragon's maxim, notably that he prefers the most generous of two interpretations. Amid explanations and analyses here and there, Presidential Decree No. 95/548 of 12 September came to terminate the appointment of Ministers Amath Dansokho and Maguette Thiam. [end recording]

The PIT, a former opposition party which joined the government in 1991, recently denounced in violent terms the unbearable deterioration of the Senegalese situation, referring to, quote, the poor governance of the country. [no reference to closing of quotation as heard] Amath Dansokho, the PIT secretary general who was dismissed as minister yesterday, expressed solidarity with his party's Political Bureau over the statement. [passage omitted]

Sierra Leone

Rebels Threaten To 'Shoot Down' Aid Planes

AB1309151795 *Paris AFP in English*
1437 GMT 13 Sep 95

[FBIS Transcribed Text] Freetown, Sep 13 (AFP) — Sierra Leone rebels threatened to "shoot down" aid aircraft and gave International Committee of the Red Cross (ICRC) officials a day to leave the country, an informed source said Wednesday [13 September].

Foday Sankoh, head of the Revolutionary United Front (RUF), which is fighting to restore democratic institutions in Sierra Leone, accused aid agencies of "including arms and ammunitions in its cargo," the source added.

He said the RUF leader was speaking Tuesday in a radio link-up with the ICRC in Freetown.

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